GOVERNMENT OF MADRAS. Secrt. II-28—55.006—27-10-52

9/9/53 (1

Health (1953) Department

Endorsement
D.O.
Memorandum
~~Lodged~~

No. 25887 H2/53.

Dated 27—6—1953.

FURTHER PAPERS.

Department.	Number.	Series.	Date.
Main	49272	46-53 - 8 Health	d 12.6.53

Mangalore water Supply Scheme — Compensation claim pending with Chief Engineer public health - Early orders Solicited

The Canara Manufacturing Corporation LIMITED

CODES:
BENTLEY'S 2ND PHRASE A B C
5TH & 6TH & PRIVATE
TELEGRAMS: "SEEAMSEE"
PHONE:

HOIGE BAZAAR ROAD
BOLAR, MANGALORE

MANUFACTURERS : CONTRACTORS : CONSULTING & ERECTION ENGINEERS

25887
9-MAY 1953
HEALTH DEPARTMENT

V. Urgent Secy:- Health
May be examined and put up early. orders 9/5/53

Ref. No. MWSS-68/53 Date 1st May 1953

To

The Secretary to the Government,
Public Health Department,
Government of Madras,
MADRAS.

(Copy forwarded to Hon'ble Minister for Public Healt

Dear Sir,

Sub: Mangalore Water Supply Scheme -- Compensation claim pending with Chief Engineer, Public Health -- Early orders solicited.

This petition is to acquaint you with some facts and figures regarding a bill of claims submitted by us to the Sanitary Engineer to the Government of Madras which is still pending with the Chief Engineer, Public Health since February 1952.

We were the contractors for the construction of infiltration galleries, suctionwells, manhole wells etc. on the Mangalore Water Supply Scheme Headworks at Gurpur by Agreement of Ref: S.E.C.R.No.14/50-'51 dated 12/./50. –

The work tendered by us amounted to nearly Rs.2,80,000/- which is a special type of work and as such it entails a huge capital outlay which fact was brought to the notice of the Sanitary Engineer who is tender-accepting Authority, even before we accepted the tender which again can be seen from the correspondence passed between us, the copies of which are enclosed herewith. (Ref:our letter No.0A/50dt.13/6 and S.E's reply letter No.15345 Wks/50-2 WS dt.24/8/50)

The work was discontinued by the Government in the middle, as the Government abandoned the idea of the scheme seeing the inadequency of water resources and other relavant reasons.

We were obliged, for no fault of ours, to abandon the work partly executed. Consequently we had to leave back the eloberate arrangements and put to disuse the various equipments bought for implementing the complete contract and hence had to incur a heavy loss.

We submitted a compensation claim bill as long back as 24/2/52 and still the same has not been finalised a copy of the claim is appended herewith.

P.T.O.

We, therefore, pray that the Government may please look into the matter and make arrangements to dispose the matter without any further delay.

We are also herewith enclosing a final letter No.3187-W1 53-1 dated 20/3/53 received from Sanitary Engineer advising alternative terms in place of claim. We are also enclosing our reply thereunderto.

Since our claim has not been looked into till now, We send this appeal to you to expedite the matter and take necessary action.

Thanking you,

Yours faithfully,
For CANARA MANUFACTURING CORPORATION LTD.

N. J. Adyanthaya
Managing Director

Encl:

Copy to:

The Chief Engineer, Public Health,
Chepauk, Madras.
The Sanitary Engineer to Government,
Chepauk, Madras.

LIST OF ENCLOSURES :-

A ... ... Letter received from Sanitary Engineer (Letter No.11575 A Wks/50-2 WS dt.9/6/50 -- asking us to reduce rates for certain items and to agree to execute the work under K-2 Agreement).

B ... ... Our reply to S.E. to the above referred letter. (Letter No.0a/50 dated 13/6/50) -- Pointing out to the S.E. the capital outlay and expenditure etc. involved to execute a small portion of the gallery would be the same as that for the execution of the entire work and as such we agree to K-2 only if a specific assurance of entrusting the entire contract to us is given by the S.E.

C ... ... S.E's reply to our above letter (Letter No.15345 Wks/50-2 Ws dated 24/8/50)-- entrusting and assuring the entire contract to us.

D ... ... Letter received from E.E. P.H., Coimbatore to the Asst. Engineer P.H. Mangalore with a copy to us -- (Letter No. 47MW dated 24/1/52 --asking us to submi the final bill.)

E ... ... Copy of claim bill submitted to the Executive Engineer P.H., Coimbatore Ref: MWSS/52 dated 24/2/52.

F ... ... Our letter to Sanitary Engineer (Letter No.MWSS/35-52 dated 11/4/52) -- giving particulars and explanations of our claim and submitt details of our capital expenditure.

G. ... ... Our letter MWSS/59/53 dated 27.1.53 to the Chief Engineer P.H. to expedite payment of our claim.

H ... ... C.E's letter No.2248 PH/52-5 dated 14-2-53 stating particulars are awaited.

I ... ... S.E's letter No. 3187-WI-53-I dated 20/3/53 suggest. alternative terms in place of claim.

J ... ... Our reply to the above letter Ref: No.MWSS-42/53 dated 2-4-53.

A-5

True copy

SANITARY ENGINEERING BRANCH (P.W.D.)

From
Sri S.Rajagopalan,B.E.,
Sanitary Engineer to Govt.,
Chepauk, Madras.

To
The Canara Manufacturing
Corporation, Ltd
Hoige Bazaar Road,
Bolar, MANGALORE.

No.11575 A Wks/50-2 WS Dated 9-6-50.

Gentlemen,

Sub: MANGALORE WATER SUPPLY SCHEME - Infiltration Gallery and Allied Works.

Ref: This office No.11575 A Wks/50-1 WS dated 3--6--50.

Referring to my persoanl discussion with Sri M.T. Adyanthaya, the Managing Director of your Firm on the 8th inst., I have to request you to let me have your replies to the following, without prejudice to the consideration of your tender dated 10-4-50 for the above work.

(i) Are you agreeable to execute the work under K-2 Contract (as per the M.D.S.S.), and complete the work on the first reach of 540 ft. of Gallery between the collecting well and Manhole well and including these two wells, at the rates quoted in your tender dated 10--4--50 subject to modifications as in (ii) below; the balance of work (i.e. the further reaches of the gallery, manhole and infiltration well, suction well and connecting pipe line) to be entrusted to you later under the same K-2 Contract, if work in the first reach is found to be satisfactory.

(ii)(a) If you are agreeable to (i) above, I have to ask you to accept modified rates in respect of the following 2 items for which the rates found in your tender dated 10-4-50 would need to be modified.

S.No.	Description of work.		Rate quoted by the Canara Manufacturing Corpn.	Rate offered by the Sanitary Engineer.
1.	Brickwork specially moulded radial I class bricks in cement mortar (1:3) for well steining.	100 Cft.	Rs.742-8-0	Rs.450-0-0
2.	Providing suitable R.C.Ladders inside wells.	EACH.	Rs.1600-0-0	Rs.150-0-0

(b) In respect of the item "Refilling with cleaned and washed excavated sand" for Gallery work, it is proposed to modify the specification permitting excavated sand as such to be used, without cleaning and washing. Please let me know if you will accept a rate of Rs.35/- per 1000 Cft. for this item as modified.

(iii) Please quote your rates for the following alternative items in the place of "Brick work in Cement Mortar 1:3" for well steining, in collecting well and manhole well.

(a) Best laterite masonry work (using laterite stones of approved quality) in cement mortar 1:3.

(b) Well staining cast in situ in ~~situ~~ cement concrete 1:4:8 (using 1 1/2" size blue metal.)

(c) Well staining with precast cement concrete blocks in 1:2:4 concrete, suitably moulded.

2. This reference may please be treated as specially urgent as your reply sent to me as soon as possible, not later than the 16th.

(sd) x x
SANITARY ENGINEER TO GOVT.

Oa/50 15th June,

To

Sri S. Rajagopalan, B.E.,
Sanitary Engineer to Govt.,
Chepauk, Madras.

Sir,

Ref: Your office letter No.11575 A Wks/50-2 WS dated 9.6.50.

Sub:-Mangalore Water Supply Scheme-Infiltration Gallery and Allied Works.

With reference to your kind letter quoted above, we beg to submit the following reply to the various points raised by you:-

1) We are willing to execute the work under K-2 Contract provided assurance is given that further work relating t o the Scheme will be entrusted to us at the same rates subject of course to satisfactory execution. You would kindly appreciate our anxiety in this regard when we point out that considerable Capital outlay is involved in the execution of even the first reach of 340 feet of Gallery. Our rates were originally based on the entire work as per your Tender Notice, and since procurement of materials, labour and overheads are more costly for the small initial piece of work the rates for the same would ordinarily have to be increased. But we do not wish to increase the rates provided you give us the assurance that the completion of the first stage of work, all the remaining work would also be given to us under the same conditions.

11) (a) Under ii (a) you have asked us to modify our rates for (1) Brick work (2) For R.C.Ladders. On account of high labour costs and labour scarcity, the rates cannot be reduced; but in deference to your wishes we are constrained to reduce the rates as follows:-

S.No.	Description of work.	per	Rate quoted by us.	Our revised rate.
1.	Brickwork specially moulded radial 1 Class bricks in cement mortar (1:3) for well steining.	100 C.Ft.	Rs.742-8-0	Rs.730-0-0
2.	Providing suitable R.C.Ladders inside wells.	Each	Rs.1600-0-0	Rs.1500-0-0

11) (b) Under this item the change from cleaned and washed sand to merely excavated sand is noted. Our revised rate for this is Rs.48--0--0 per 100.

111) (a) For Best laterite masonry work in cement mortar 1:3 our rates are Rs.350/- per 100 C.Ft.

(b) For Well steining cast in situ in cement concrete 1:4:8 our rate is Rs.650/- per 100 C.Ft.

(c) For Well steining with precast cement concrete bloks in 1:2:4 concrete, our rates are Rs.760/- per 100 Cft.

We hope we have furnished the necessary answers to your satisfaction and expect your kind acceptance at an early date.

Thanking you,

Yours faithfully,

SPECIAL

SANITARY ENGINEERING BRANCH(P.W.D.)

From
Sri S.Rajagopalan, BE.,
Sanitary Engineer to
Govt.,
Chepauk, Madras.

To
Messrs. The Canara Manufacturing
Corporation Ltd.,
Boige Bazaar Road, Bolar,
MANGALORE.

No.15345 Wks/50-2 WS dated 24-8-50.

Sirs,

Sub: Mangalore Water supply scheme-constructing a manhole well, a collecting well and 340 ft. gallery - tender for - accepted.
Ref: Correspondence resting with this office No. 15345 Wks/50-1 WS dated 19-7-50.

1. The work of constructing the infiltration gallery for a length of about 340 ft., and constructing a collecting well, and a manhole well (excluding the two R.C.C.ladders for the wells) is entrusted to you at the rates quoted in your tender dated 10-4-50 and as modified in your subsequent letter No.Oa./50 dated 13-6-50. The work will be executed under K-2 contract form.

2. As desired by you in your letter No.Oa/50 dated 13-6-50, you are given an assurance to the effect that further work on the scheme for which you have tendered, will also be entrusted to you at your tendered rates, if the standard of execution for this part of work, which is now being entrusted to you, is found to be satisfactory in the opinion of the Sanitary Engineer to Government whose decision in the matter shall be final and binding.

3. You are requested to attend the office of the Sanitary Engineer to Government of Madras on 9-9-50 or within three days from that date during office hours, to sign an agreement in proper departmental form. Failure on your part to attend the Sanitary Engineer's office as aforesaid will entail forfeiture of the earnest money already paid by you.

4. Please acknowledge receipt of this letter.

Yours faithfully,

(Sd) x x x 26-8-50

Rs/26-8. for SANITARY ENGINEER TO GOVERNMENT.

True copy.

D

Copy of Memo No. 47. Mn. dated 24.1.52 of the Executive Engineer, Public Health Coimbatore.

Sub: Mangalore Water Supply Scheme--Closing of Contractors Accounts.

Please close the accounts of M/S Canara Manufacturing Co.Ltd. and submit the final bill at once.

Sd. O. Dhanan jayam.
Executive Engineer,
Public Health, Coimbatore.

p.t.o.

12

No. 7 M. dated 28.1.52.

Copy to Messrs. Kamara Manufacturing Corporation for information

Sd. T.A.Narasimha Aiyengar,
28.1.52.
Assistant Engineer,
Public Health.
Mangalore.

True copy forwarded.
By Order.
Sd. S.Srinivasan. 28/1.62.
Head Clerk,
Mangalore Sub Division.

True copy.

13/E

MWSS/52. 24th February, 52.

To
The Executive Engineer (P.W.D.) P.H.,
R.S.Puram
Coimbatore.

Through
The Asst. Engineer (P.H.)
Mangalore(Sub Division)

Ref: Memo No. 47 MN D/24-1-52 of Executive Engineer - Coimbatore - Copy forwarded to us.

Sub: Final Bills - Claim Submitted.

Dear Sir,

With reference to the above cited Memo we herewith submit our final bill of claims in the shedule attached hereto, in connection with the contract for the Mangalore Water Supply Scheme work of Constructing a suction well, a collecting well, two manwhole wells and infiltration well and lying infiltration galleries and connecting pipe at the propose headworks, we hope that you will expedite the settlement of our claims and oblige.

Thanking you,

Yours faithfully,
For The Canara Manufacturing Corporation Limited.,

Managing Director.

Encl: One Shedul

SHEDULE.

1.	Under wages;-	
	Wages os skeleton staff in view of the suspention of work.	Rs. 4,443- 0- 0
2.	Advances to workmenk	2,904- 0- 0
3.	Plant & Machinery; loss owing to closure of work; the resale value being 50% only)	11,414- 0- 0
4.	Proportionate cost of Foundations - Loss 2/3 of cost	412- 0 -0
5.	Temporary sheds 2/3 of the value	1,6[illegible]- 0- 0
6.	Granite metal gathemd - including blasted stones in quarry.	1,000- 0- 0
7.	Clay gathered for the manufacture of Special Bricks.	2,250- 0- 0
8.	Manufactured bricks; 15,000 of special design ...	2,250- 0- 0
9.	Transport charges of the materials and of pipes belonging to the department ...	1,019- 0- 0
10.	Timber planks losses	3,071- 0- 0
11.	Poles and bamboos - extras - only charged ...	963- 0- 0
12.	Roads and culverts --- --- ---	160- 0- 0
13.	Loss of prestige and reputation on account of early closure which has affected our future prospects ...	25,000- 0- 0
14.	Bills for work done but not yet paid under brick-work	6,634- 0- 0
15.	Lorry - depreciation at 25%	2,080- 0- 0
16.	Our security deposit	2,200- 0- 0
	Total Rupees ...	67,428 - 0- 0

Mangalore
Dated 24th Feb.'52

Capital Expenditure Incurred on Mangalore Water Supply Scheme Contract Work.

1.	Engine & Generators. ...	Rs.	18,100	0	0
2.	Electric installation equipments:- bare copper wire, V.I.R.Wires, Holders, switches, insulators, bulbs, clamps, brackets etc.etc. ...	Rs.	1,375	0	0
3.	Electric Motors, Pumping set, pipe fittings etc.	Rs.	5,110	0	0
4.	Diving equipments: such as Helmets, hoses, chains, etc.etc.	Rs.	2,550	0	0
5.	Compressor units: ...	Rs.	1,200	0	0
6.	Lorry. ...	Rs.	8,324	0	0
7.	Granite metal making implements: (such as sledge hammers, jelly sizers, etc.)	Rs.	879	0	0
8.	Piles, Planks, Poles etc. ...	Rs.	4,569	0	0
9.	Piles driving hammers. ...	Rs.	450	0	0
10.	kft Lifting Tackles: such as winches, wire ropes, pullies, chain pully blocks, pully blocks, and other lifting tackles, etc. etc. ...	Rs.	1,113	0	0
11.	Screw Jacks. (for gallery work) ...	Rs.	250	0	0
12.	Brick manufacturing implements. such as Pugmill, Brick Moulds, Brick tables, etc.		2,350	0	0
13.	Temporary sheds. (Bamboos, coconut leaves, bamboo mats, fibre ropes, coal tar, nails, roofing straw, casurina etc.etc.	Rs.	2,445	0	0
14.	Canteen equipments.	Rs.	1,750	0	0
15.	Sundries such as chatties, buckets, cane buckets, ropes, showels, mamooties, pickaxes, well pullies, wire webbing, wire brushes, tepies, form work for, well curb, staining, flab etc.	Rs.	1,695	0	0
16.	Cost of Roads, culverts and foundations.	Rs.	1,018	0	0
17.	Granite metal gathered, including blasted stones in the quarry.	Rs.	1,000	0	0
18.	Clay gathered for the manufacture of special bricks.	Rs.	2,250	0	0
19.	Manufactured bricks.	Rs.	2,250	0	0
20.	Sand sieved not measured.	Rs.	800	0	0
21	Advance to workman.	Rs.	2,904	0	0
22.	Wages of skeleton staff and skilled labour retained.	Rs.	4,443	0	0
	Total	**Rs.**	**67,830**	**0**	**0**

True xerox copy.

G 21

MWSS.59/53. 27th Jan.53.

To

The Chief Engineer (Sanitary),
Public Health Department,
Government of Madras,
M a d r a s.

Sub. Mangalore Water Supply Scheme--Gurpur Head Works-Compensation Claim--Early orders-solicited.

Sir,

We beg to bring to your kind notice the following points for your early consideration and disposal.

1. This petition arises out of compensation claims put before the Sanitary Engineer for the construction of infiltration - galleries etc. in Gurpur Head Works of Mangalore water supply Scheme.

2. The operations of the above infiltration galleries etc. was stopped in the middle as the Government abandoned the idea of th above scheme seeing the inadequacy of water resources and other relevent reasons.

3. We were obliged, for no fault of ours, to abandon the partl executed work. Consequently we had to leave back the elaborate arrangements and put to disuse the various equipments brought fo implementing the complete contract and hence had to incur a heavy loss in undertaking this contract.

4. We had submitted a compensation claim immediately after the cessation of the part contract to the Sanitary Engineer and we regret to note that this claim is still under the consideration of the Government and not yet been finalised although it is near 2.1/2 years since the work was abandoned.

5. We pray that the Government may please look into the matter and make arrangements to dispose the matter early.

Yours faithfully,
for the Canara Manufacturing Corporation Ltd.

Managing Director.

Copy to:

The Chief Engineer, (Sanitary),
Chepauk, Madras.

copy.

H 23

From

Sri.T.S.Venkatarama Ayyar,
B.E.M.I.E.(Ind).I.S.E.,
Chief Engineer, P.W.D.(General and Buildings),
Chepauk, Madras.

Public Works Department.

To

Messrs. The Canara Manufacturing Corporation Ltd.,
Hoige Bazaar Road,
Bolar, Mangalore.

Letter No. 2248 PH/52-5 dated 14th February 1953.

Gentlemen,

Sub: Mangalore Water Supply Scheme--Gurpur Headworks--Compensation claims.

....

Ref: Your letter No. MWSS 39/53 dt. 27.1.53. + 21 enclts

.....

Certain particulars have been called for from the Sanitary Engineer in regard to the claims preferred in your letter No. MWSS/52 dt. 24.2.52 and those are awaited from him. The Sanitary Engineer has been asked to make payment for undisputed items and to expedite his further report on other items.

Yours faithfully,
Sd.
14/2/53.
for Chief Engineer, P.W.D.(Genl.& Bldgs)

Copy to the Sanitary Engineer, Chepauk, in continuation of this office Memo No. 2248 PH/52-4 dt.14.2.53.

T 25

Sanitary Engineering Branch (P.W.D).

From
Sri.S.Rajagopalan, B.E.,M.I.E.,
Sanitary Engineer,
Chepauk, Madras.

To
M/S Canara Manufacturing Corporation Ltd.,
Bolar, Mangalore.

No. 3187-W1.53-1 Dated 20-3-1953.

.....

Dear Sirs,

Sub: Mangalore-Water Supply Scheme-Gurpur source-Construction of infiltration works-Claim petition.

Ref: Correspondence ending with your letter No. MWSS.41-53 dated 5-2-1953.

....

I have been directed to ascertain from you if you would drop your claims if work of an equivalent value is entrusted to you either as a result of tender or on nomination in the new scheme for Mangalore Water Supply as soon as it is sanctioned for execution.

Sd. S.R.Srinivasan,
20.3.53.
Sanitary Engineer.

MWSS-42/53. 2nd April, 53.

To

The Sanitary Engineer,
Chepauk,
MADRAS.

Ref:- Your letter No.p187-Wi.53-1-dated 20-3-1953.
Sub:- Mangalore Water Supply Scheme - Gurpur Source - Construction of infiltration works -

We are in due receipt of your above mentioned communication and the same was carefully considered by our Board of Directors at its meeting on 1-4-1953. Our Board regrets it cannot pursuade itself to accept the proposals alias suggessions contained therein. The Board genuinely feels that its claim for compensation is a genuine, real, bona fide and independant claim and it cannot be given up, merely on the prospect of getting some future contracts from the Government. On this point of getting the contracts from Government, the Board feels that it is bound to get it, provided the Company is competent to get it.

However we desire to say that the Company is not spoiling for a fight or litigation and the statement in the above para may not be interpreted that we are not for a negotiated compromise and amicable settlement of the claim. We are entirely in favour of a negotiated amicable settlement and that has to be done without further delay. The matter has been hanging fire for more than 18 months, and we are afraid we cannot allow it to drag on further. Expecting an early and immediate reply.

Yours faithfully,

True copy.

Health Dept
W2

Special

Memo 25807 W2/53 - Health d 9.5.53

Watersupply. Mangalore Watersupply scheme. Compensation claim by the contractor for abandoned work.

From the Managing Director, this Mangalore Canara Manufacturing Corporation, Mangalore Petitr., Ref. MW SS-68/53 dtd., d 1.5.53.

The Sanitary Engineer is requested to send an urgent report thro' the EE, PWD (Gen Bldgs), on the petition cited [illegible] of which is enclosed to have been sent to him direct and the EE, direct.

KS 9.5.53 SR 9.5.53 VR 9-5-53 SKS 9/5/53

To
The Sanitary Engineer.
The EE, PWD (Gen Bldgs), MB 9/5

Note: Please see the covering [illegible] of the Secy., and the minutes of M(H) on P.1 Cf.
2. The draft memo alone is sended for approval.

KS 9.5.53 SR 9.5.53. VR 9-5-53 SKS 9/5/53

CONFIDENTIAL.

Sanitary Engineering Branch (PWD).

From
Sri S. Rajagopalan, B.E., M.I.E.,
Sanitary Engineer
Chepauk, Madras.

To
The Chief Engineer,
P.W.D. (Public Health)
Chepauk, Madras.

No.10255 W1/52-1 WS d/11-7-1952.

Sir,

Sub: Mangalore Water Supply Scheme - Gurpur Source - Constructing infiltration gallery - Claim petition of M/s. The Canara Manufacturing Corporation, Mangalore.

The estimate for the first stage of the scheme was sanctioned for Rs.3,15,000/- in C.E.R. PH.No. 11/49-50. Tenders on lump sum contract were invited, fixing the last date as 12-4-50 for constructing the infiltration works with a gallery 1020 ft. long. The lower of the two tenders received viz. the tender of Messrs. The Canara Manufacturing Corporation was accepted and as per Chief Engineer's P.W.D. (Gl.) suggestion in confidential Memo No.5358 Pww/49-18 d/1-6-50, only 340 ft of infiltration works was entrusted to them on piece work contract in K2 agreement S.E.C.R.No. 14/50-51 with the assurance that the whole work relating to the first stage of the scheme will be entrusted to them if the standard of execution of the part work was found satisfactory

2. The work consisted of constructing an infiltration gallery 340 ft. long, a manhole well and a collecting well. Timber piles were driven down by the contractors for a length of about 100 ft. of gallery, but only 30' length of pipes were laid. The work was stopped on 8-6-51 as reported in para 20 of this Office No.14224 W/51-1 WS dated 28-6-1951.

3. The contractors in their letter No. MWSS/52 dated 24-2-52 (copy enclosed) put forward certain claims for payment towards the expenditure incurred by them. Again in their letters MWSS/35-52 d/11-4-52 (copy enclosed) the contractors have furnished a statement of capital expenditure incurred by them on the work. The claims of the contractors have been considered by the Executive Engineer (PH) Coimbatore and his remarks on the admissibility of the various claims and his recommendations thereon are herewith enclosed. (vide copy of Executive Engineer (PH)'s letter No.34 Confl. SE/A4 d/5-6-52). The claims have been examined in this office and the following are the remarks thereon.

Claim No.1: Wages of skeleton staff in view of the suspension of work:- Amount claimed Rs.4,443/- . The work was stopped on 8-6-1951 as stated above. But no further work was in any case possible for 4 to 5 months due to monsoon. By that time the contractors knew that the work was not to be proceeded with. As such the Executive Engineer (PH) recommends a sum of Rs.500/- for the month of June '51 for winding up his work at site. The petition of the contractors is dated 24.2.52 and they seem to claim at Rs.523/- per mensem for all the 8½ months. The amount of Rs.500/- recommended by the Executive Engineer (PH) seems reasonable and may be paid to the contractors. Details regarding this amount are being called for from the Executive Engineer (PH) and they will be submitted on receipt from him.

P.T.O.

CLAIM.NO.2. Advances to workmen: Amount claimed Rs.2,904/- The Executive Engineer (PH) considers this to be high and recommends an amount of Rs.1,000/- as being reasonable and fair. This amount may be paid to the contractors.

CLAIM NO. 3: Plant and machinery: Resale value being only 50% Amount claimed Rs.11,414/- The original value of the plant and machinery has been assumed as Rs.22,828/- Even assuming that they are new, their life on contract works may be put at 10 years at the worst. They have been in use only for six months and the depreciation for this period will only be 5%. Allowing 5% more for the fact that the contractors might not have gone in for these materials but for his work, the amount that could be allwon this account is only 10% or Rs.2,300/-. If the Contractor is not willing to accept this sum, he may be allowed the alternative of selling to the Department such of these articles as are useful to the Department at suitable cost to be settled after inspection of the materils.

CLAIM No. 4:- Proportionate cost of foundations - Amount claimed Rs.412/- being 2/3 of the cost:- The total cost of the foundations is assuemd as Rs.618/- and the contractors claim 2/3 of this amount as the cost of foundations which is not recoverable. This ratio is rather high. The contractors would have utilised them for all the six months and hence 1/3 of the cost or Rs.206/- for this claim is reasonable and is recommended for payment

CLAIM No.5:- Temporary sheds: Amount claimed Rs.1628/- (being 2/3 of the value)

The full value of the temporary sheds is assumed as Rs.2,442/-. These have served for a period of six months. The contractors would have salvaged nearly 70% of the materials and allowing 10% for the wear during use, an amount of Rs.500/- (nearly 20% of the full value) is recommended for payment to the contractors).

CLAIM No.6:- Granite metal gathered - Amount claimed Rs.1,000/- I endorse the view of the Executive Engineer (PH) that the materials may be taken over by the department at agreed cost and used on the new scheme. The Executive Engineer (PH) is being asked to pursue further action in the matter with the contractors.

CLAIM No.7:- Clay gathered for the manufacture of special bricks. Amount claimed Rs.2,250/-. This will be treated as for item 6 above. The Executive Engineer (PH) is being asked to report whether the clay is in such a condition as to be useful for the manufacture of bricks.

CLAIM No:8 Manufactured bricks - Amount claimed Rs.2,250/- This will be treated as for item 6 above

CLAIM No. 9:- Transport charges for the materials and pipes belonging to the department - Amount claimed Rs.1,019/-. I endorse the suggestion of the Executive Engineer (PH) that the claim be limited to the number of pipes conveyed to the site over and above those actually used on the work A detailed report on this is being called for from the Executive Engineer Engineer (PH)

p.t.o.

3/

CLAIM No. 10.: Timber planks losses - Amount claimed Rs.3,071/- Timber planks were driven down for 100 ft. length of gallery with their top 6' -0" below bed level. Actually only 30' length of gallery was executed. Due to floods in the Gurpur river the contractors were unable to remove the planks. Assuming that the planks could be used four times, the loss to the contractors may be put at $3071 \times \frac{1}{4} \times \frac{(100-30)}{100}$ or Rs.537/-.

This amount is recommended as an exgratia payment to the contractors on this account.

CLAIM No.11. Poles and bamboos - Extras only - Amount claimed Rs.963/-. The amount of Rs.400/- recommended by the Executive Engineer (PH) is reasonable and may be paid to the contractors.

CLAIM No.12: Roads and culverts - Amount claimed Rs.160/- As these were put in by the contractors for the facility of their own transport, this claim of the contractors cannot be sustained.

CLAIM No.13. Loss of prestige and reputation due to the closure of the work - Amount claimed Rs.25,000/- The firm is quite new in this line and this is the first major work they have undertaken. As the work was stopped for no fault of theirs, the question of loss of prestige does not arise.

CLAIM No.14 Bills for work done, but not paid for under brickwork - Amount claimed Rs.6,634/-. A detailed report on this is being called for from the Executive Engineer (PH)

CLAIM No. 15: Lorry depreciation @ 25% - Amount claimed Rs.2,080/-. In the circumstances reported by the Executive Engineer (PH) the depreciation amount of Rs500/- recommended by the Executive Engineer is reasonable and may be paid to the contractors.

CLAIM No. 16: Security deposit Rs.2,200/-. This will be paid to the contractors in due course.

Regarding the special tools and plant mentioned in para 4 of the Executive Engineer's (PH) letter under reference, further report from the Executive Engineer (PH) is being called for.

I enclose herewith a comparative statement showing the amounts recommended by the Executive Engineer (PH) and this office against the various claims of the contractors. The detailed report from the Executive Engineer (PH) on the pointed raised above will be submitted to the Chief Engineer (PH) on receipt from the Executive Engineer (PH)

I request that orders of the competent authority may kindly be obtained in the matter and communicated to me forfurther action.

x x x

For SANITARY ENGINEE

Encl:
1. Comp. Stt
1. Copy of Contractor's letter d/24-2-52.
1. " " d/11-452-
1. Copy of E.E.'s letter d/5-6-1952.

TSR 10/7/

Comparative statement showing the amounts claimed by M/s. Canara Manufacturing Corporation, Mangalore and the amounts recommended by the Departmental Officers for the Mangalore Water Supply Scheme - Construction of Infiltration Gallery - Agreement S. E. C. R. No. 14/50-51.

Sl. No. of claim.	Details of claim as per the Company's letter d/24-2-1952.	Expenditure incurred by the company as per Co.'s letter D/- 11-4-1952.	Amounts claimed by the company in their petition	Amounts recommended by the Executive Engineer (P).	Amounts now recommended in this office	Remarks
1.	2.	3.	4.	5.	6.	
		Rs.	Rs.	Rs.	Rs.	
1.	Wages of skeleton staff in view of the suspension of work	4,443	4,443	500	500	The Executive Engineer (PH) recommends an amount of Rs.500/-. The details for this are being called for from the Executive Engineer (PH)
2.	Advances to workmen.	2,904	2,904	1,000	1,000	The recommendation of the Executive Engineer (PH) is reasonable.
3.	Plant and machinery, resale value being 50% only:					
	Engine and generators.	18,100	11,414	4,000	2,300	The Executive Engineer (PH) recommends the amount of 400 based on 15% depreciation charges which is rather high. The amount now recommended is reasonable.
	Electri Installation	1,375				
	Motors, Pumps, pipes.	5,110				
	Diving equipments.	3,550				
	Compressor units.	1,200				
	Granite metal implements.	879				
	Pile hammers.	450				
	Lifting tackles	1,118				
	Screw jacks.	250				
	Brick manufacturing implements:	2,350				
	Sundries - Buckets - etc.	1,695				

p.t.o.

(1)	(2)	(3)	(4)	(5)	(6)	(7)
13.	Loss of prestige and reputation due to early closure of work.	...	25,000	...	...	The firm is quite new in the line and this is the first major work they have undertaken. As the work was stopped for no fault of theirs, the question of loss of prestige does not arise.
14.	Bills for work done, but not yet paid under brickwork.	...	6,624	...		Action is being pursued separately by the Executive Engineer (PH).
15.	Lorry depreciation, at 25%.	8,324	2,080	500	500	The recommendation of the Executive (Public Health) is reasonable.
16.	Security deposit.	..	2,200	...	...	This will be returned to the contractors in due course.
	TOTAL	65,220	*67,428	9,650	5,943	

* This includes an amount of Rs.25,000/- not included in the previous column.

S. RAJAGOPALAN,
SANITARY ENGINEER.

TSR 13/5/

Copy of letter No.MWSS/52 d/24-2-52 from M/sCanara Manufacturing Corporation Ltd..Mangalore to the Executive Engineer (PH) Dvn. Coimbatore through the Asst. (PH) Mangalore.

Ref: Memo No.47 MN d/24-1-52 of Executive Engineer Coimbatore - Copy forwarded to us.

Sub: Final Bills - Claim submitted.

***

With reference to the above cited memo, wehherewith submit our final bill of claims in the schedule attached hereto in connection with the contract for the Mangalore water Supply scheme work of constructing a suction well, a collecting well, two manhole wells and infiltration well and laying infiltration galleries and connecting pipe at the proposed headworks, we hope that your will expedite the settlement of our claims and oblige.

***

SCHEDULE.

Under wages:--

		Rs.
1.	Wages of skeleton staff in view of the suspension of work.	4443
2,	Advances to workmen.	2904
3.	Plant & ~~Machinery~~ Machinery:- Loss owing to closure of work, the resale value being 50% only	11414
4.	Proportionate cost of foundation - loss 2/3 of cost.	422
5.	Temporary sheds 2/3 of the value	1628
6.	Granite metal gathered - including blasted stone in the quarry	1000
7.	Clay gathered for the manufacture of special bricks	2250
8.	Manufactured bricks; 15,000 of special desing.	2250
9.	Transport charges of the materials and of pipes belonging to the departments.	1019
10.	Timber, planks; losses.	3071
11.	Poles and bamboos; extras only charged.	963
12.	Roads and culverts.	160
13	Loss of pretige and reputation of account ~~loss~~ of early closure which has affected our future prospects.	25000
14	Bills for work done but not yet paid under brik work	6634
15	Lorry - depreciation at 25%	2080
16	Our security deposit.	22000
	T O T A L Rs.	67428

****

Copy of the letter No. MWSS/35-52 d/11-4-52 from M/s The Canara Manufacturing Corporation Ltd. Mangalore, to the Sanitary Engineer, Madras.

Ref: Mangalore Water supply scheme - Construction of Infilbration gallery etc.

Sub: Compensation request for stopage of work on Mangalore water supply scheme - Construction work of suction well, Manhole wells, Infiltration gallery etc.

***

p.t.o.

We tendered to you on 10-4-50 a lump sum tender approximately amounting to Rs.2,80,000/- for the work of constructing suction well, Manhole wells, etc. for the Mangalore water supply scheme work.

In response to this tender we received your letter No.7876 Wks/50-1 WS d/17-4-50 wherein you wanted some corrections to be made to this tender. The corrected tender was submitted to you on 22-4-50 with the required particulars.

In your letter No.11575 A Wks/50-2 SW d/9-6-50, we were asked to reduce rates for certain items and quote for certain new items. You also asked us whether we are agreeable to execute the work under K-2 agreement for a portion of the work (approximately 1/3) in place of lump sum agreement, with nodefinite promise to entrust the entire work to us under the same rates.

Our Managing Director, after personal disaussions he had with the Sanitary Engineeer, agreed to take up the K-2 contract in the first instance for only a portion of the work with the spirit and jist of lump sum contract.

Accordingly we had written to you in our letter No. Oa/50 d/13-6-50 that we willing to execute the work, on trust as above, under the specific assurances from you that the full work of laying the gallery and wells etc. would be entrusted to us. Also we pointed out to the Sanitary Engineer that there will be very heavey commitments and very heavy capital expenditure at the initial stage for the execution of first 340 ft. which can be made up only if the full work is executed. Regarding the reduction of the rates, we replied that it was not possible to reduce any of the rates already quoted for the reasons stated above. Anyhow, to respect you letter we nominally reduced to a small extent the rates originally tendered for two items, and gave fresh quotations for fresh works asked for.

Subsequent to that, in your letter No.15345 Wks/50-2 WS d/24-8-50 you entrusted the work to us at the rates quoted in our tender dated 10-4-50 and as modified in our subsequent letter No. Oa/50 d/13-6-50; and also gave us an assurance to that effect that further work on the same for which we had submitted our lump sum tender will also be entrusted to us at our tendered rates.

Subsequently a rate of Rs.450/- was paid as against a rate of Rs.730/- tendered by us and agreed by you for 100 c.f.t. of brick work for well staining. According to the terms of the tender and our letter d/13-6-50, we are eligible for Rs.730/- for 100 c.ft. of brick work. The difference in payment may kindly be given to us now. The reduced amount received on this work is taken only as a part payment

We have already pointed out to you in our letter d/13-6-50 that our capital outlay will be very heavy for the initial work. The total contract amount under K-2 agreement is about Rs.88,000/-. The amount paid so far, for the work done is Rs.44,300/-. The capital outlay on Machinery Electrical equipment, Pumping equipment, shoring equipment Pile under water, Diving equipment, housing, housing, canteen Live stock etc. not to speak of training, advances, etc. is about Rs.67,830/-.

p.t.o.

Inevitably this capital expenditure was incurred to execute about Rs.2,80,000/- worth of work under lump sum tender. The stoppage of work at this stage without executing the complete work under the lump sum tender will entail a heavyloss to us for which sufficient and suitable compensation must be aswarded to us. We therefore request you to kindly award adquate compensation for stopping the work at this stage. A detailed list of our commitments is enclosed for your information and necessary actions. A claim for Rs.67,428 is already submitted to the Executive Engineer (PH) Coimbatore. An early and favourable action is requested.

Sd x x x

M A N A G I N G D I R E C T O R.

******

Capital expenditure incurred on Mangalore water supply scheme contract work.

		Rs.
1.	Engines and generators.	18,100
2.	Electric installation equipments:- Bare copper wire, V.I.R.Wires, holders, switeches, insulators, bulbs,clamps, brackets & etc. etc.	1,375
3.	Electric motors, pumping set, pipe fittings etc..	5,110
4.	Diving equipments, such as Helmets, hoses chains, etc etc.	3,550
5.	Compressor units:-	1,200
6.	Lorry.	8,324
7.	Granite metal making implements;- (such as sledge hammers, jelly hammers, crow bars, F.O.M. bars, clamps, sizers, etc.)	879
8.	Piles, planks, poles etc.	4,569
9.	Piles driving hammers	450
10.	Lifting tackles. (such as winches, wire ropes, pullies, chain pully blocks, pully bloke and other lifting tackles etc.	1,118
11.	Screw jacks. (for gallery work).	250
12.	Brick manufactruing implments. (such as (Pugmill, Brick Moulds, Brick tables, etc.)	2,350
13.	Temporary sheds .(Bamboos, cocoanut leaves Bamboo mats, fibre rops, coal tar, nails. roofing straw, casurina etc.	2,445
14.	Canteen equipments.	1,750
15.	Sundries such as:- (chatties, Buckets, cane buckets, ropes, showels, Mamooties, Pickaxes well pullies, wire webbing, wire brushes, tapies, form work for well curb, staining, slab etc	1,695
16.	Cost of roads, culverts and foundations.	1,018
17.	Granite metal gathered - including blasted stones in the quarry.	1,000
18.	Clay gathered for the manufacture of special bricks	2,250
19.	Manufactured bricks.	2,250
20.	Sand sieved not measured.	800
21.	Advances to workmen.	2,904
22.	Wages of skeleton staff and skilled labour retained.	4,443
	T O T A L Rs.	67,830

Sd. x x x
MANAGING DIRECTOR

Copy of the letter No.34 Confdl. SE/A4 d/5-6-52 from the Executive Engineer (PH) Coimbatore, to the Sanitary Engineer.

Sub: Mangalore Water Supply Scheme - Compensation claimed.

Ref: Letter from M/s. The Canara Manufacturing Corporation No. MWSS/35-52 d/11-4-52 to the Sanitary Engineer and the Executive Engineer (PH) Coimbatore and in continuation of this office Endt.No. 739 M dated 27-4-1952.

***

Pursuance to your letter Confidential No.12546 W/51-1 W1 d/7-6-51 no further commitment on the work incurred after 8-6-51. Nor further work on the K-2 contract was carried out subsequently. The contractor also stopped off work and cleared off his shed and materials and tools and plant with the knowledge that the scheme was dropped. Formal orders confirming the stoppage of work under the K-2 contract could not be served until orders of the Govt. were received on the abandonement of the sources which were received by the end of January 1952. Meanwhile, the contractor himself addressed the Executive Engineer (PH) for settlement of ~~work~~ his bills and preferred a claim for compensation for stoppage of work in his letter d/24-2-52. In the circumstances, formal issue of a notice for stoppage of work at this stage does not seem necessary as both sides have specifically understood and acted upon the fact that the work is not to be proceeded with.

2. In this Office No.363 SE d/27-4-52 I have already reported on the figures relating to this work. Due to an error the figures of the contract seem to have been furnished. I furnished belwo the correct figures as called for Appendix I.

3. In regard to the claims preferred by the contractor, I have the following remarks to offer:-

Item I. Wages of skeleton staff in view of the suspension of work Rs.4443/-

The work was stopped actually on 8-6-51 after the advent of floods in the Gurpur river. It would have been practically impossible for the contractor to have pursued further progress on the work beyond that date even if there had been no stoppage of work officially ordered. From the date when the work was closed due to floods in the river, the contractor, could not have proceeded with the work for four or five months thereafter because of monsoon period. He would, therefore, have had to make arrangements to suit temporary suspension of allwork for the next five months or so because of the monsoon period. It is not normal for any expericed contractor to keep a skeleton staff at the river bed site to keep watch over an inactive period. By the time the working season was available to contractor, he was aware of the cessation of work and therefore the question of nay staff for resuming progress of the work would not have arisen. In the circumstances, I do not consider that there are any convicing reasons to sustain his claim on this item. We may, however, admit a small amount ~~for him to~~ for the month of June 1951 such as would have been necessary for him to wind up his show at the work site. I consider that an amount not exceeding Rs.500/- will be reasonable on this account.

p.t.o.

For the same reasons as explained under item (1) above, there do not seem to be any valid ground for sustaining his claim. No experienced contractor would be making such a large advance to his workmen on the eve of an inactive period for his work. All the same, for maintaining a continuity in the labour ranks detailed on this special work, a certain amount of advance may have been paid by the contractor, We may perhaps fix up such a figure at about Rs.1,000/- only on grounds of experience and equity.

Item (3) Plant and Machinery: Loss owing to closure of work-- Resale value 50% only: Rs.11,414/-.

The value of plant and machinery amounting to Rs.22,828/- of which 50% only has been specifically expalined anywhere. In his subsequent letter dated 11th April, 1952 addressed to the Sanitary Engineer, however the contractor has given figures of expenditure purporting to have been incurred by him on such uphill outlay. From this list, it is seen that items 1 to 3 comprising engine and generators for Rs.18,100/-; Electrical installation equipments for Rs.1,375/-; Electrical motor, pumpsets and pipe and fittings for Rs.5,110/- amount in all to a total of Rs.24,585/-; 50% of which should be Rs.12,000/- and odd and not Rs.11,000/- and odd. It would seem that the figures furnished in his earlier claim dated 24-2-52 and in the details of expenditure furnished by him later in his letter dated 11-4-52 do not completely support each other. Even so, I do not consider that a 50% resale should be assumed against such capital involved in plants an engines and generators, electrical motors and pumpsets for having been used on the work just for a period of 5 to 6 months. Not more than 15% depreciation would be justified in any circumstances, even under the special conditions of this case. The claim under this item cannot be accepted at anything more than say Rs.4,000/- at the most even assuming that his figures on expenditure can be accepted on their face value.

Item (4) Proportionate cost of foundations:

We may allow perhaps an amount of Rs.250/- against this item.

Item (5) Temporary Sheds: Rs.1,628:

The Assistant Engineer (PH) reports that the sheds as put up by the contractor would not have been fully serviceable after the close of the monsoon in any case and would have required re-roofing and repairs to the site poles etc., before he could have brought it back for use again in the next working season. The cost of such repairs which would have fallen on the contractor in case he had to resume work would have been a liability on him and to that extent it must be deducted from the resale value of the temporary shed. I do not think that we can consider any figure high than Rs.1000/- under the claim on this item.

Item 6 : Granite metal gathered:

The Contractor need not press any claim on this account The materials as collected by him could be taken over by the Department for use in the new scheme. So the quantities will be taken over and paid for at accepted rates. I am pursuing the matter with the Contractor separately.

Item (7) Clay gathered for the manufacture of special bricks

We would be requiring bricks for the filter treatment works in the new scheme. This item will be treated as item (5) above.

p.t.o.

Item 8. Manufactured bricks : Rs.2,250/-

The Asst.Engineer (PH). reports that the contractor has himself used up these bricks elsewhere. The claim on this account need not be considered now; whatever bricks are available with the contractor could be taken over by the Department at agreed cost.

Item (9) Transport Charges of Materials and pipes:--

The claim will be limited to the actual amount incurred by way of transport charges for the number of pipes which he has taken to the site and which have not been used up on the job. This will be dealth with on its merits.

Item (10) Timber Planks - Looses:

Actually the contractor drove in plank pipes for a length of about 100 ft. of gallery to be laid in the working season, so that on 8.6.1951, when no further work was possible at the site because of the advent of floods he would not have been able to use the entire length of gallery for which piling had been done by him. If after the close of the monsoon, the contractor had to resume work on the remaining length of the gallery it would have involved further expenditure on his part to exhume the portion of the gallery which would have been submerged under the floods. The planks were buried under 6 ft. of sand below bed level. It would have cost him some amount before he could have exposed the trench again for resuming the work under the contract. In assessing the value of the planks lost by him as if in use of the work as intended, we shall have have to set off the extra expenditure he would have had to incur to make the planks useful in the manner intended. I consider that after allowing for such amount, the claim under this account could be reduced by about Rs.1000/- and his claim limited to say Rs.2000/- only . .

Item (11) Poles and Bamboos : Rs.963/-:

The Asst.Engineer (PH) reports that a major portion of these were removed by the contractor. Probably, a sum of Rs.400/- should satisfy the Contractor for any unrecoverable poles left inside the trench if such item is not included in the previous item.

Item (12) Road and Culverts:

I do not think that this amount of Rs. 160/- should be sustained as they are petty works contingent on the facility necessary for the contractor for his own transport of materials irrespective of the magnitude of the work.

Item (13) Loss of Prestige etc. Rs.25000/-.

The firm is quite new in the line and should be grateful to the Department for having given them the opportunity to step into this line of work and show their merit even at the risk of any delays occuring in the work. Actually, the Contractor took a considerable time before he was able to make necessary arrangements to push through the work, but by that time a good portion of the working season had already been lost. In any case there is no loss of prestige involved, for the stopping of work is not on account of any notice, served by the department* the claim is wholly unsustainable and rather frivolous. This need not be considered.

for incompetence in the execution of work. This item under

p.t.o. 13.

Item (14) Bills for work done but not yet paid under brik work:

I am making a separate reference about this. It will be dealth with on its own merits instead of as a claim arising out of the stoppage of work.

Item (15) Lorry Depareciation of 25%

The contractor has secured a second hand lorry for the work. It is unjustifiable to write off 25% of the cost of the lorry for having used it for some six months. We may allow a depreciation of not more than 500 rupees on the value of the lorry.

Item (16) Secxurity Deposit:

This is not really an item under the claim and will be settled in due course.

4. As regard some of the special tools and plant which the contractor brought and used on this work, they will be useful for our other works if they are got for our departmental use. But I understand the compressor diving helmet etc. have already been disposed off by him. Regarding this and other articles, I shall find out the correct position and if they could be obtained at reasonable price for our use. If possible I shall try and find out if they could be conveniently had and in that case we can omit the claims on these items later on if it should frutify in tha direction.

Tarue Copy)

TSR 19/5/

Sanitary Engineering Branch (PWD)

From
Sri S.Rajagopalan, B.E., M.I.E.,
Sanitary Engineer,
Chepauk, Madras.

To
The Chief Engineer (~~PWD~~)
Public Health,
Chepauk, Madras.

Letter No. 17586 - W1/52-1 WS Dated 29/8/1952.

Sir,

Sub: Mangalore Water Supply Scheme - Gurpur Source - Constructing infiltration gallery - Claim petition of Messrs. Canara Manufacturing Corporation, Mangalore.

Ref: This office letter No. 10255 W1/52-1 WS dated 11-7-1952.

I invite reference to claim No.14 of the Contractor mentioned in my above letter. This relates to bills for work done but not paid for under brick work, the amount claimed by the Contractor on this score being Rs.6,634/-. This amount in fact need not be considered as a claim as it represents the difference in the amount payable to the Contractor for work done by him as per his agreed rate and the amount actually paid to him.

Messrs. Canara Manufacturing Corporation tendered a rate of Rs.742-8-0 per 100 c.ft. of brick work while the tendered rate of Messrs. Gannon Dunkerley & Company (Madras) Limited for this item was Rs.450/- per 100 c.ft. As the rate of Rs.742-8-0 per 100 c.ft. was considered very high, the former Firm were asked to accept a modified rate of Rs.450/- per 100 c.ft. for brick work. The firm in reply agreed to reduce their rate to Rs.730/- per 100 c.ft. and the rate was accepted. But as the agreement for the work was to be on K.2 form, to safeguard against the possibility of the Contractor executing only the costly brickwork and stop away without taking up the Gallery work, for which his tendered rates were comparatively less, the Chief Engineer in his memo No.5358-PWW/49-23 dated 24-8-1950 suggested the inclusion of a specific clause in the agreement by which payments of full rates for brick work could be made only after a major length of the gallery has been laid; in case the Contractor left the gallery incomplete, the rate for brick work was to be cut down to the rates of Messrs. Gannon Dunkerley & Co. (Madras) Ltd.

Accordingly, the following clause was introduced under the special conditions of the contract.

> "The contractor will be entitled to payment at his tendered rate of Rs.730/- (Seven hundred and thrity) per one hundred cubic feet of Brick work executed as per the description in item 4 of the schedule only after a major length of the gallery has been laid and completed. Payments at part rates will however be made for the Brickwork done as per the description in the schedule. This part rate shall be at Rs.450/- (Four hundred and fifty only) per 100 c.ft. In case the contract is terminated by either party before the gallery work is complete, this payment at the part rate mentioned above will be considered to be the final payment for this item."

As per this clause in case the contract is terminated by <u>either party</u> before the gallery work is complete, the payment at the part rate will be considered to be the final payment for this item. The words "either party" had to be incorporated in the agreement for the reason that even in case the department terminated the contract due to poor

progress or poor quality of work, the contractor will be entitled to payment for Brickwork only at the reduced rate of Rs.450/- per 100 c.ft.

The Chief Engineer is fully aware of the circumstances under which the contract had to be terminated. At any rate, the contract was not terminated due to any fault on the part of the contractor. But still, I am unable to make payments to the contractor for brickwork at his tendered rates in the face of the special condition mentioned above. As it is not fair to penalise the contractor for no fault of his, I request orders of the Chief Engineer to make payments to the contractor for brick work at his tendered rate of Rs.730/- per 100 c.ft.

It is only in the collecting well and the manhole well that brick work has been done and as these have been completed, the amount involved for 2762 c.ft. of brick work is at (Rs.730 - 450) Rs.280/- per 100 c.ft. is Rs.7,790/-. I request early orders of the Chief Engineer to pay the amount to the contractor. It is not clear how the contractor has mentioned the amount as Rs. 6,634/-. I am asking the Executive Engineer (PH) to report in the matter.

2.9.92

for Sanitary Engineer.

Nv/- 30/8.

2/9

Office of the Chief Engineeer, P.W.D.
General, Chepauk, Madras.5.

MEMORANDUM no. 2248 PH/52-4 dated 14th February 1953.

Sub: Mangalore Water supply Scheme . Gurpur source . Construction of infiltration gallery . claim petitions of M/s Canara Manufacturing Corporation, Mangalore.

Ref: Chief Engineeer's Memo, No.2248 PH/52-1 dt.12-12-52.

In continuation of the memo cited above a copy of letter No. NWSS 39/53 dated 27-1-1953 received from M/s. The Canara Manufacturing Corporation, Mangalore is forwarded to the Sanitary Engineeer He is is requested to make immediate arrangements to pay the amounts due to the contractor on all undisputed claims such as claims 6 to 9, 14 and 16. The Sanitary Engineer's view regarding claim No.14 are accepted. Payment may now be made at the agreement rate for the brick works item. As regards dispated claims he is requested to expedite his reply to this office memo cited above, including concrete proposals if any for purchasing items plant and machinery that may be useful to the Sanitary Branch.

T.-S. VENKATARAMA AYYAR,
Chief Engineer, P.W.D. (General and Buildings).

To

The Sanitary Engineeer.

~~Encl:~~ ~~1 copy The Canara Manufacturing Corporation Mangalore dt. 27-1-53.~~

(TRUE COPY)

TSR 20/5/

Superintendent

SANITARY ENGINEERING BRANCH (PWD).

From
Sri S. Rajagopalan, B.E.,M.I.E.,
Sanitary Engineer
Chepauk, Madras.

To:
The Chief Engineer, PWD.,
General & Buildings,
Chepauk, Madras.5.

No.3835 W 1/53-1 WS, dated 19-2-1953

Sir,

Sub: Mangalore Water supply Scheme - Gurupur source Construction of Infiltration gallery - Claim petition of Messrs. Canara Manufacturing Corpn. Particulars.

Ref: Chief Engineer's Memos.(1) No.2248 PH/52-1 dated 12-12-1952.
(2) No. 2248 PH/52-3, dated 29-1-1953.
(3) No. 2248 PH/52-5, dated 14-2-1953.
(4) No.2248 PH/52-4 , dated 14-2-1953.

The further particulars regarding the claim petition of Messrs. Canara Manufacturing Corporation, called for, in Chief Engineer's Memo first cited above are furnished hereunder:--

Claim No.1: Wages of skeleton staff:
Amount claimed:- Rs.4,443/-

The Executive Engineer (PH) has since reported that the contractors shifted the temporary shed from the original place in November 1951 to a nearby place and that the superior staff including skilled labour were disbanded on 28-2-1952. I enclosed herewith a statement as furnished by the contractor showing the details of the claim made. My original recommendations for the payment of a sum of Rs.500/-towards the expenditure incurred in the month of June 1951 only was based on the report of the Executive Engineer (PH) without the details of the staff which have been furnished by the contractor only now. From the details now furnished it may be seen that the contractor's claim is based on the salary of the establishment employed by him for a period of 8 months from 7/51 to 2/52 As a skeleton staff consisting of a partime supervisor (1/3rd the salary), one maistry, one watchman and one mechanic will be necessary will be necessary for the proper upkeep and maintenance of the machinery as also watching of the stores, I recommend a lumpsum payment of Rs.1500/- being the rough establishment charges for a period of 8 months.

Claim No.3: Plant and Machinery.

All the plant and machinery available with the contractors will not be required by this Department. The following equipment and machinery can however be made use of by this Department:-

1. Diving equipment and compressor plant
2. Pile driving hammers.
3. Lifting Tackles and
4. Screw Jacks.

p.t.o.

As per your instructions to the contractors in letter No. 2248 PH/52-2 dated 29-1-1953, he might have produced the concerned vouchers relating to the actual cost of the plant and machinery. I request you to take further action on this issue in fixing the value of the above items.

Claim No.6 : Granite metal collected.

The Executive Engineer (PH) has been asked to take over and make payment for the metal at the agreement rates

Claim No. 7 : Clay gathered:

The Executive Engineer (PH) has been asked to take over the clay from the contractor and make payment at the current schedule of rates.

Claim No. 8 : Manufactured Bricks :

The firm have since withdrawn the claim under this item.

Claim No. 9 : Transport charges:

Amount of claim made Rs. 1019/-

This claim comprises three items and the payment may be made as follows.

(a) Transport charges for conveying Stoneware pipes: The Executive Engineer (PH) has been asked to pay a sum of Rs.102-6-0 based on the schedule of rates.

(b) Conveyance of departmental lead from Calicut to Gurpur Headworks

Payment has to be made after the receipt of particulars from the Assistant Engineer (PH). TheExe. Engineer (PH) will be advised to make payment as per schedule of rates.

and (c) Transport of Machinery back to Mangalore:

It will be reasonable to pay the contractor an amount proportional to the actual value of the work done by the contractor compared with the value of the K2 contract.

The Executive Engineer (PH) has been asked to compute the total value of the work done by the contractor under the agreement and report the proportionate cost of transport of the machinery alone for taking further action in the matter.

Encl: 1 copy of detailed statement of Claim by the Contractor.

SD.x x x 23/2/53
FRO SANITARY ENGINEER.

Copy of letter Ref: No. NWSS 30/53, d/31-1-53, from the Canara Manufacturing Corporation, Mangalore to the Executive Engineer, P.H. Coimbatore Division.

As per the personal discussions, the undersinged had with you we are herewith sending you the details and explanations for our claim dated 24-2-1952. The details are attached herewith.

The temporary sheds etc. were removed from the original place and put up in a place nearby in the month of November 1951.

The skilled labour and superior staff appointed for the Mangalore Water Supply Scheme work was disbanded on 28-2-1952.

Hope you will take immediate action to settle our claim.

Details and Explanations of the claim schedule.

1. Under Wages:

Wages of skeleton staff in view of the suspension of work.

(Wages of skilled workers and also clerical and supervision staff maintained from 1-7-1951 onwards as we have not received any official intimation to stop the work. We received only a copy of Memo.No.25 M, dated 24-3-52 of the Asst. Engineer, P.H., Mangalore that our accounts are to be closed and a final bill to be submitted only on the 25th ~~June~~ March 1952) Details of the payment made to the staff specially maintained for the work is given herewith.

	Rs.
1. One Supervisor on a monthly salary of Rs.100/- from 1-7-51 to 28-2-52 for 8 months.	800
2. One mainstry on a monthly salary of Rs.45/- from 1-7-51 to 28-2-52 for 8 months.	360
3. One Clerk on a monthly salary of Rs.75/- from 1-7-51 to 28-2-52 for 8 months	600
4. One electrician on a monthly wages of Rs.65/- from 1-7-51 to 28-2-52 for 8 months	520
5. One watchman on a monthly wages of Rs.45/- from 1-7-51 to 28-2-52 for 8 months	360
6. One Engine Driver on a monthly wages of Rs.65/- from 1-7-51 to 28-2-52 for 8 months	520
7. One mechanic on a monthly wages of Rs.75/- from 1-7-51 to 28-2-52 for 8months	600
8. One carpenter on a monthly wages of Rs.50/- from 1-7-51 to 28-2-52 for 8 months	400
9. One fitter on a monthly wages of Rs.35/- from 1-7-51 to 28-2-52	280
	4,440.

2. Advances to workmen:

(Details of advances given to Sub contractors and labour supply agents and workers which cannot be recovered now as the work is abandoned).

1. Kalimuthu Maistry (Jolly contractor).	Rs.	2,137--0--0
2. Hasane Beary (Contractor)		60 0 0
3. B.J. Hedge (Supervisor)		65 0 0
4. G.S. Rai (Clerk).		48 0 0
5. T.K. Adappa (Maistry)		43 0 0
6. B. Lakshmana (Electrician).		57 0 0
7. Gopa Moily (Watchman)		22 0 0
8. Advances paid to coolies.		472 0 0

3. Plant and Machinery; Loss owing to closure of work the resale value being 50% only:--

(Details of cost of Plant and Machinery purchased for this work after deducting depreciation).

	Original Cost.	Present Book value.
1. Engine and Generators.		~~15,837 0 0~~
Less depreciation at 12½ % deducted.	2,263 0 0	15,837 0 0
2. Electric Installation Equipments.	1,375 0 0	
Less depreciation at 12½% deducted.	172 0 0	1,203 0 0
3. Electric Motors and ~~Rumpxxxxx~~ Pumpsets.	5,110 0 0	
Less cost of one 6" dia pump sold.	810 0 0	
	4,300 0 0	
Less depreciation at 12½% deducted.	538 0 0	3,762 0 0
4. Diving equipments.	3,550 0 0	
5. Compressor units.	1,200 0 0	
	4,750 0 0	
Less depreciation at 12½% deducted.	594 0 0	
	4,156 0 0	
Less one compressor unit and 2 copper helmets sold	2,100 0 0	2,056 0 0
6. Lorry.	Sold.	
7. Granite metal making implements	879 0 0	
Less depreciation at 12½% deducted.	109 0 0	770 0 0
~~8.~~		
8. Piles driving hammers.	450 0 0	
Less depreciation at 12½% deducted.	57 0 0	393 0 0
9. Lifting tackels.	1,118 0 0	
Less depreciation at 13½% deducted.	140 0 0	
	978 0 0	
Less sold 2 Nos of (5 ton) capacity winches and ½" dia. wire rope 200'	250 0 0	728 0 0
10. Screw Jacks.	250 0 0	
Less depreciation at 12½% deducted.	22 0 0	228 0 0
11. Brick making machine.	,350 0 0	
Less depreciation at 12½% deducted.	284 0 0	2,066 0 0

p.t.o.

	Original cost	Present book value.
12. Canteen equipments.	1750 0 0	
Less depreciation at 12½% deducted.	219 0 0	1,531 0 0
13. Chatties and buckets etc..	1695 0 0	
Less depreciation at 12½% deducted.	212 0 0	1,483 0 0
Total book value of Plant and machinery.		Rs. 30,057 0 0.

(Under this head although the 50%compensation works out to be Rs.15,027/- we have claimed only 11,442/-). 11,442 0 0

4. Proportionate cost of foundations - Loss 2/3 of cost.
(Our expenditure on foundations is Rs.618/-- but we have claimed only Rs.412/-) 412 0 0

5. Temporary sheds 2/3 of the value.

(Our actual expenditure expenditure on Temporary sheds which works out to Rs.2,445/- But we have claimed only Rs.1,628/- 1,628 0 0

6. Granite Metal gathered including blasted stones in the quarry. 1,000 0 0

7- Clay gathered for the manufacture of special bricks. 2,250 0 0

8. Manufactured bricks 15,000/- of special design (The bricks have been since removed and used and this does not arise.)

9. Transport charges of the materials and of pipes belonging to the department.

(This includes the transport charges incurred by us for transporting machineries etc. from Headworks back - to Mangalore due to the closure of work and also the transport charges for the 10 tons of lead bars - conveyed by us from Calicut to Headworks and also for the storeware pipe conveyed. Most of the heavey machineries are still at Gurpur headworks and we will be incurring a substantial amount to transport the same back to Mangalore). 1,019 0 0

10. Timber Planks losses:--
(The timber plies used are actually burried in the river bed around the gallery and it is not worthwhile taking them out unless there is further work. The actual cost of piles purchased amounts to Rs.3,236/- but we have claimed only Rs.3,071/- 3,071 0 0

11. Poles and Bamboos:

(Under this head the expenditure on poles and timber scantlings etc. amounts to the tune of Rs.1,333/- but we have calimed only Rs.963/- 963 0 0

12. Roads and culverts:
(We have incurred an expenditure of Rs.400/- but we have claimed only Rs.160-0-0) 160 0 0

p.t.o.

13. Loss of prestige and reputation on account of early closure which has affected our future prospets..
(Under item 13 we have been prevented from obtaining many other contract works due to the stoppage of work in the middle. The compnesation on this account is for the loss of profit as most of our capital was locked up as mentioned above and all our activities were stopped due to the same.

25,000 0 0

14. 54,289 0 0

14. Bills for work done but not yet paid under brickwork.
(This item is separated out as it is only an outstandin bill for the work done which amounts to Rs.7,392/-)

15. Lorry. Depreciation at 25%.

This does not arise now as we have sold the lorry since we put up the claim.

16. Our Security deposit:-

(This item is also separated out as we will be claiming it as soon as the claim is settled.)

(TRUE COPY)

TSR 19/5/

SANITARY ENGINEERING BRANCH (PWD)

From
Sri S. Rajagopalan, B.E.,M.I.E.,
Sanitary Engineer,
Chepauk, Madras.

To
The Chief Engineer, P.W.D.
General and Buildings,
Chepauk, Madras.

No.8155 W1/53-1 WS, dated 14-4-1953

Sir,

Sub: Mangalore Water Supply Scheme - Gurpur source - Claim petition of Messrs Canara Manufacturing Corporation settlement of.

Ref: Chief Engineer's Memo No.2248 PH/52-6 dt.14-3-53.

***

With reference to the above, copies of my letter No,3187 Wks/53-1 dated 20-3-1953 addressed to Messrs Canara Manufacturing Corporation, and their reply thereto, are submitted herewith.

x x x
FOR SANITARY ENGINEER.

Encls: 2 letters (copy)

Copy of this office letter No.3187/W1/53-1 Dated 20-3-53 addressed to The Canara Manufacturing Corporation Ltd., Bolar, Mahgalore.

Sub: Mangalore Water Supply Scheme - Gurpur source Construction of infiltration works - Claim petition

Ref: Correspondence ending with your letter No. MWSS 41-53 dated 5-2-1953

***

I have been directed to ascertain from you if you would drop your claims if work of an equivalent value is entrusted to you either as a result of tender or on nomination in the new scheme for Mangalore Water Supply as soon as it is sanctioned for execution.

Copy of the letter No. NWSS-42/53, dated 2-4-1953 from Messrs. Canara Manufacturing Corporation Ltd., Mangalore to the Sanitary Engineer, Chepauk, Madras.

Sub: Mangalore Water supply sheeme - Gurpur source - Construction of infiltration works.

Ref: Your letter No.3187 W1/53-1 dt.20-3-53.

***

We are in due receipt of your above mentioned communication and the same was carefully considered by our Board of Directors at its meeting on 1-4-53. Our Board regrets it cannot pursuade itself to accept the proposals alias suggestions contained therein. The Board genuinely feels that its claim for compensation is a genuine, real, bona-fide and independent claim and it cannot be given up, merely on the prospect of getting some future contracts from the Government. On this point of getting the contracts from the Government, the Board feels that it is bound to get it, provided the company is competent to get it.

p.t.o.

However we desire to say that the company is not spoiling for a fight or litigation and the statements in the above para may not be interpreted that we are not for a negotiated compromise and amicable settlement ~~and that has to be done~~ of that claim. We are entirely in favour of a negotiated amicable settlement and that has to be done without further delay. The matter has been hanging fire for more than 18 months, and we are afraid we cannot allow it to drag on further, expecting an early and immediate reply.

(TRUE COPY)

TSR 19/5/

Mangalore Water Supply Scheme - Gurpur Source - Claims -
Statement showing the amounts claimed by the contractors and those finally recommended by the Sanitary Engineer.

Claim No.	Description of claims.	Amount claimed by the contractors	Amount finally recommended by the Sanitary Engineer.	Remarks
1.	2.	3.	4.	5.
1.	Wages for skeleton staff.	4,443	1,500	
2.	Advances to workmen	2,904		
3.	Plant and Machinery.	11,414	5305	
4.	Proportionate cost of foundations	412	206 ✓	
5.	Temporary sheds.	1,628	500 ✓	
6.	Granite metal collected.	1,000		Decided to be paid at the agreement rates
7.	Clay gathered for manufacturing bricks.	2,250		Decided to be paid at the schedule of rate
8.	Manufactured bricks	2,250		The Contractor have disposed of the brid themselves. Proposed be paid at the sched of rates.
9.	i) Transport charges for conveying S.W. Pipes ii) Conveyance of departmental load from Calicut to Gurpur Head Works. iii) Transport of Machinery back to Mangalore.	1,019		The Sanitary Engineer himself may settle thi
10.	Timber plank losses.	3,071	1234 ✓	
11.	Poles and Bamboos.	963	400	
12.	Roads and culverts.	160	-	Sanitary Engineeer do recommend this claim.
13.	Loss of prestige and repatation due to closure of work	25,000	-	-do-
14.	Bills for work done but not paid under brickwork.	6,634	-	Proposed to be paid a the agreement rates.
15.	Lorry.	2,080	-	The contractor have since sold it.
16.	Security Deposit.	2,200		Proposed to be paid as per the contract rules
	TOTAL CLAIM.	67,428	9,145	

(TRUE COPY)

TSR 20/5/

SUPERINTENDENT.

URGENT.

PUBLIC WORKS DEPARTMENT

From
Sri T.S. Venkatarama Ayyar,
B.E.,M.I.E.(Ind.),I.S.E.,
Chief Engineer, P.W.D.(General and Buildings),
Chepauk, Madras.

To
The Secretary to Government,
Health Department,
Fort St.George,
Madras.

Letter No.2248 PH/52-7 Dated 16th May 1953.

28484

Sir,

DEPUTY SECRETARY 17 MAY 1953 HEALTH DEPARTMENT

Sub: Mangalore Water Supply Scheme - Gurpur source - claim petition of Messrs. Canara Manufacturing Corporation - Settlement of - re:

Ref: Government Memo No.25887 W2/53-1 Health dt.9-5-53.

I forward herewith copies of the correspondence noted in the margin, on the above subject.

1) Sanitary Engineer's letter No. 10255 W1/52-1 WS dt.11-7-52 and encls.
2) Sany.Engr.'s letter No.17586 W1/52-1 WS dt.29-8-52.
3) Chief Engr.'s Memo No.2248 PH/52-4 dt.14-2-53.
4) Sany.Engr.'s letter No.3835 W1/53-1WS dt.19-2-53 and encls.
5) Sany.Engr.'s letter No.8155 W1/53-1 WS dt.14-4-53 and encls.

2. It will be recalled that in G.O. 1798 PH dt.16-5-49, Government sanctioned detailed plans and estimates amounting to Rs.3.15 lakhs for the first stage of Mangalore Water Supply Scheme consisting of the construction of an infiltration gallery and suction well. After calling for tenders, as usual, it was recommended in this office letter No.5358 PWW/49-19 dt.12-7-50, that a part of the work consisting of a "Collecting Well" "Manhole Well" and 340' of Infiltration Gallery" might be entrusted to one of the tenderers Messrs Canara Manufacturing Corporation, as a preliminary to the entrustment of the whole work, if the standard of execution was found satisfactory. This proposal was approved in G.O.No.2874 Health dt.12-8-50. Accordingly this part work was entrusted to The Canara Manufacturing Corporation on K2 Contract in August '50, the cost thereof being Rs.87,838/- at the rates tendered by them.

3. Some time later, the Sanitary Engineer submitted proposals in his letter No.14224 W/51-1 dt.28-6-51 for the change of "source" itself from "Gurpur" to "Nethravathi" involving the scrapping of the entire scheme. This proposal for changing the source was agreed to by Government, in G.O.No.32 Health dated 3-1-52 and the Chief Engineer was directed to collect necessary particulars for preparing plan and estimates for the new scheme. Consequently, the work, referred to in the previous paragraph had to be suspended. This suspension has led to the claims, now preferred by the contractors.

4. I enclose herewith a tabular statement containing the "description of claims", the amounts under each claim etc. Of the 16 claims, preferred by the contractors amounting to Rs.67,428/- only 10 items (1, 2, 3, 4, 5, 9, 10, 11, 12 and 13) are to be considered as claims amounting to Rs.51,014/-, the remaining items being undisputed ones. Even among the above ten items, payment of compensation is considered reasonable only under 7 items (1, 3, 4, 5, 9, 10 and 11), the value of compensation, considered fair, being roughly Rs.9145/-. This excludes item (9), for which the actual amount payable could be settled by the Sanitary Engineer himself. The amount actually payable under item (3) may vary according to the number of Tools and Plant that may be actually purchased from the contractors. The various claims are briefly discussed below.

5)...

5) Claim 1. Wages of skeleton staff.

The contractors have claimed Rs.4440/- for the wages, stated to have been paid by them to the staff for 8 months from 1-7-51 to 28-2-52. The Sanitary Engineer originally recommended a compensation of Rs.500/-, assuming that the staff would have been disbanded in June '51 itself when the work was suspended. Subsequently in his letter dated 19-2-53 (copy enclosed) he reported that the staff was disbanded by the contractors only on 28-2-52 and that therefore wages might be admitted for all the 8 months, but only for a limited staff considered reasonable. He recommends that a sum of Rs.1500/- may be paid under this item. As the stoppage of the work was officially communicated to the contractors only on 24-3-52 and as the contractors are also reported to have maintained the staff upto 28-2-52, it is but reasonable to compensate the expenditure incurred by the contractors for 8 months by way of remuneration to limited essential staff, as recommended by the Sanitary Engineer. The expenditure on the entire staff, listed in contractors' letter dt.31-1-53 to the Executive Engineer (Public Health), Coimbatore Division cannot be compensated, as the contractors should have been prudent enough to disband unnecessary staff, considering the facts that the work was suspended in June '51, though not abandoned completely and that the period of stoppage was also not a working season. Therefore, a sum of Rs.1500/- may be paid to the contractors under this item.

Claim 2. Advance to workmen.

This claim need not be considered as this department has nothing to do with this item.

Claim 3. Plant and Machinery.

The Sanitary Engineer originally recommended a compensation of Rs.2300/- to cover depreciation charges at 10% of the cost of Plant and Machinery. The Sanitary Engineer was asked to state whether any of the items under "Plant and Machinery" would be useful for the Sanitary Engineering Branch. The Sanitary Engineer in his letter dt.19-2-53 (copy enclosed) has stated that 4 articles could be made use of by his Branch, viz. (1) Diving equipment and compressor plant, (2) Pile Driving hammers, (3) Lifting Tackles and (4) Screw Jacks, the total book value of which comes to Rs.3405/-. As stated above, the Sanitary Engineer originally recommended payment of Rs.2300/- towards depreciation charges at 10% - vide his remarks under this item in his letter dt.11-7-52 (copy enclosed). If the book value of articles, proposed to be purchased, is excluded from the total book value assumed for the purpose of depreciation charge payable to the contractors would come to about Rs.1900/-. Thus the total amount payable to contractors would come to about Rs.5305 (Rs.1900 plus 3405), assuming that the 4 articles costing Rs.3405/- will be purchased by the Department. If the articles are not to be purchased, a compensation of Rs.1900/- towards depreciation may be paid to the contractors.

Claim 4 - Proportionate cost of foundations for the Plant and Machinery.

The contractors have claimed Rs.412/- stated to be only 2/3 of the actual cost. The Sanitary Engineer recommends Rs.206/- (1/3 of the cost) as being reasonable. I agree with him and recommend that a compensation of Rs.206/- may be paid under this item.

Claim 5...

Claim 5 - Temporary Sheds.

The contractors have claimed Rs.1628/-, stated to be only 2/3 of the actual expenditure incurred by them. The Sanitary Engineer has recommended in his letter dated 11-7-52 (copy enclosed) payment of a sum of Rs.500/- for the reasons explained by him under this item. I agree with his view and recommend that a sum of Rs.500/- may be paid under this item.

Claims 6 and 7 - Granite metal and clay gathered.

In this office memo No.2248 PH/52-4 dt.14-2-53 the Sanitary Engineer was asked to take over these materials and make payment at the current schedule of rates. The question of compensation does not ~~xxixx~~ therefore arise.

Claim 8 - Manufactured Bricks.

The contractors have withdrawn the claim under this item in their letter dt.31-1-53 to the Executive Engineer, Coimbatore Division, as they have been since used by them.

Claim 9 - Transport charges.

The amount claimed is Rs.1019/-. The Sanitary Engineer, in his letter dated 19-2-53 (copy enclosed), stated that this claim comprises of three items viz. (1) Transport charges for conveying stoneware pipes (2) conveyance of departmental lead from Calicut to Gurpur Headworks and (3) Transport of machinery back to Mangalore ~~Headworks~~. He has asked the Executive Engineer (Public Health) to make payment for items 1 and 2 above according to the schedule of rates. As for item (3) the Sanitary Engineer considers it reasonable to make payment in proportion to the actual value of the work done by the contractor, compared with the value of the K2 contract. He has called for from the Executive Engineer information regarding the proportionate cost of transport of ~~machinery~~ machinery. I agree with ~~him~~ the Sanitary Engineer's remarks and recommend that the settlement of this claim may be left to the Sanitary Engineer himself.

Claim 10. Timber Planks - losses.

Timber planks were driven down for 100' length of trench with their top 6' below bed level. When 30' of gallery was laid, floods came and the remaining 70' length of trench was filled with sand. It is stated by the contractors that it is not worthwhile pulling them out, unless there is further work. The amount claimed by the contractors is Rs.3071 out of an actual cost of Rs.3236. The Executive Engineer (Public Health) recommended payment of a sum of Rs.2000/-, while the Sanitary Engineer has recommended a sum of Rs.537/- for the reasons explained under this claim in his letter dated 11-7-52 (copy enclosed). After due consideration I have come to the conclusion that a sum of Rs.1234/- may be paid under this claim.

Claim 11 - Poles and Bamboos.

The amount claimed is Rs.963/-. The Sanitary Engineer has recommended a sum of Rs.400/- for the reason that a major portion of these materials was removed by the contractors and that therefore this amount would be sufficient to make good the loss on account of unrecoverable poles etc. left inside the trench. I agree with him and recommend that a sum of Rs.400/- may be paid under this claim.

Claim 12. Roads and Culverts.

I agree with the Sanitary Engineer that this claim cannot be entertained, as roads and culverts were put in by the contractors for the facility of transport.

claim 13...

Claim 13. Loss of prestige and reputation due to closure of work.

The contractors' claim Rs.25,000/-. This firm is stated to be quite new in this line and so no reputation could have been built up by them as yet. Further, as the contract was not terminated due to any default on their part, the question of loss of prestige does not arise. Moreover the contract was a K2 one only. Therefore, I agree with the view of the Sanitary Engineer that this claim may be disallowed.

Claim 14 - Bills for brickwork done but not yet paid.

The Sanitary Engineer was already instructed in this office Memo No.2248 PH/52-4 dt.14-2-53 to make payment at agreement rates for the brickwork done by the contractors. The contractors have also withdrawn this item from their claims as will be seen from their letter dt.31-1-53 to the Executive Engineer (Public Health), copy enclosed.

Claim 15. Lorry.

Originally, the contractors claimed Rs.2080/- under this item. The contractors have reported in their letter dated 31-1-53 to the Executive Engineer (Public Health) (copy enclosed) that the lorry was sold by them after putting up their original claim. So this claim now stands withdrawn.

Claim 16. Security Deposit.

Security deposits are normally refundable when the accounts of the contractors are finally settled. In this office memo No.2248 PH/52-4 dated 14-2-53 the Sanitary Engineer was asked to pay to the contractors all the amounts due under undisputed claims, this claim being one of them. The contractors have also withdrawn this claim as such in their letter dated 31-1-53, copy enclosed.

The above claims and the amounts recommended by me against them have been shown in the statement enclosed herewith and referred to in para 4 above. The total amount of compensation recommended by me comes to Rs.9145/-, excluding item 9, which may be left to the Sanitary Engineer for settlement.

This work had to be suspended in the middle of execution, consequent on the submission of proposal by the Sanitary Engineer for change of source of Water Supply and finally abandoned, when these proposals were approved by Government. These developments were beyond the control of the contractors and they could not have had an inkling of such a move. On the other hand, they would have had high hopes of getting the balance work also, if they executed the work in question to the satisfaction of the Department. In this hope, they seem to have incurred a large capital expenditure, as will be seen from their letter dated 11-4-52 to the Sanitary Engineer, copy enclosed. Till final orders were received on the change of source, their capital investment remained locked up without return. In the circumstances they deserve to be given some compensation for the loss incurred by them due to no fault of theirs. Therefore, I recommend that a compensation of Rs.9145/- may be ordered to be paid for them in full settlement of their claims, excluding claim 9. The Sanitary Engineer may also be permitted to purchase the 4 articles referred to under claim 3.

R. Lakmaya 20/5/53

for Chief Engineer, P.W.D.(Genl.&Bldgs.).

Encls: 1) Marginally noted correspondence.
2) Copy of statement.

VB/18-5.

HEALTH DEPT. (W2)

Memo No.

Sub:- Water supply - Mangalore Municipality - Compensation claim by the Canara Manufacturing Corporation Ltd. -

From the Managing Director, The Canara Manufacturing Corporation, Ltd., Mangalore, Rc. No. MWSS/68/53, dated 1.5.53.

From the Chief Engineer, P.W.D. (General & Buildings), letter No. 2248 PH/52-7, dated 16.5.53 -

The Govt. have decided that the C.E., P.W.D., (General & Buildings), may himself settle on merits the claim made by the Canara Manufacturing Corporation, Ltd., Mangalore, expeditiously ~~anyway~~ and in any case within a period of three months from 1.7.1953. He is requested to report to Govt. by 1.10.1953 at the latest, ~~in due course~~ the action taken by him in the matter.

2. The petitioner is informed that the C.E., P.W.D. (General & Buildings), will pass orders on the claim at an early date.

To

The C.E., P.W.D., (Gl. & Bldgs) (with a copy for the S.E.)

The Managing Director, Canara Manufacturing Corpn., Ltd., Hoige Bazaar Road, Bolar, Mangalore. (para 2 only)

(2 spares).

HEALTH DEPT. (W2)

Memorandum No. 25887 W2/53. 3 Health d 27.6.53

Sub:- Water supply - Mangalore Municipality - Compensation claim by the Canara Manufacturing Corporation Ltd. -

From the Managing Director, the Canara Manufacturing Corporation Ltd., Mangalore, Rc. No. MWSS/68/53, dated 1.5.53.

From the Chief Engineer, P.W.D. (General & Buildings), letter No. 2248 PH/52-7, dated 16.5.53 -

..

The C.E., P.W.D., (Genl. & Buldgs.), is informed that the claim made by the Canara Manufacturing Corporation Ltd., Mangalore, has been pending for a long time. He should, therefore, settle the claim amicably in as short a time as possible, in any case, within a period of two months from 1.7.53. He is requested to submit a report to the Govt. by 1.9.53 at the latest, on the action taken by him in the matter.

2. The petitioner is informed that the C.E., P.W.D., (General & Buildings), will pass orders on the claim at an early date.

27/6/53 VR 27-6-53 SAS 27/6/53

To

The C.E., P.W.D., (Gl. & Bldgs.) (with a copy for the S.E.)

The Managing Director, Canara Manufacturing Corpn. Ltd., Hoige Bazaar, Road, Bolar, Mangalore (para 2 only.)

(2 spares)

27/6/53

OFFICE OF THE CHIEF ENGINEER,P.W.D.(GENERAL),CHEPAUK,MADRAS-5.

ENDORSEMENT NO.2248 PH/52-8 dated 4th July 1953.

Read:-From the Health Department Memo.No.25887 W2/53-3 H dated 27-6-53.

Sub:-Water Supply - Mangalore Municipality - Compensation claim by the Canara Manufacturing Corporation Ltd.

Copy forwarded to the Sanitary Engineer.

2. A copy of this Office letter to Government No.2248 PH/52-7 dated 16-5-53, containing Chief Engineer's recommendations on various claims is also enclosed herewith. Payment can be made to the company if the amounts recommended by Chief Engineer in respect of claims 1, 4, 5, 10, 11. In respect of claim 3, the Sanitary Engineer is requested to negotiate with the Contractor about the sale of articles to this Department and if no settlement can be reached, a compensation of Rs.1900/- towards depreciation may be paid. However before making payment under the claim, he should report the result of negotiations. As for claim 9 in respect of transport charges, payment can be made at reasonable rates in consultation with the Executive Engineer (Public Health) concerned.

p.t.o.

3. He is requested to take immediate action on the above lines and submit a report as early as possible.

SECRETARIAT
6 JUL 1953
GOVERNMENT

T.S.Venkatarama Ayyar,
Chief Engineer,P.W.D.
(General & Buildings).

To the Sanitary Engineer,Madras.
Encl: 1)Copy of Government Memo.
2)Copy of Chief Engineer's letter No.2248 PH/52-7 dated 16-5-53.

wda/ 4-7.

36516

ENDORSEMENT NO.2248 PH/52-9 dated 4-7-53.

Copy submitted to Government with reference to Government Memo.No.25887 W2/53-34 dated 27-6-53. Final report regarding the full settlement of the claims made by the firm will be sent in due course.

for Chief Engineer,P.W.D.
(General & Buildings).

To the Secretary to Government, Health Department, Fort St.George, Madras.

wda/4-7.

Sub: W. S. - Mangalore Water Supply Scheme - Claim petition of Messrs. Canara Manufacturing Corporation.

Ref: From the Managing Director, The Canara Manufacturing Corporation, Ref.No.M.W.SS.68/53, dated1-5-53.

From the C.E.PWD., (Gl&Bld), letter No.2248-PH/52-7,dated 16-5-53.

In 1949 the Govt. sanctioned the detailed plans and estimates amounting to Rs.3.15 lakhs for the first stage of Mangalore Water Supply Scheme consisting of the construction of infiltration gallery and suction well. After calling for tenders for the work, the C.E. recommened that a part of the work consisting of a collecting well, man-hole well and 360 ft. of infiltration gallery might be entrusted to one of the tenderers Messrs.Canara Manufacturing Corporation as a preliminary to the entrustment of the whole work with the standard of the execution are found satisfactory. The cost of this part of work came to Rs.87,838 at the rates tendered by the contractor. This proposal was also approved by Govt. in G.O.No.2874, Health,dated 12-8-50.

2. Subsequently the S.E. submitted proposals for a change of the source of the scheme itself from Gurpur to Nethravathi involving the scrapping of the entire orginal scheme. The Govt. approved this proposal for the change of the source. Consequently the work entrusted to the contractors had to be suspended. On that in February 1952, the contractors submitted a compensatory bill to the S.E. for a sum of Rs.67,428/- for full settlement of the claims. This claim preferred by the firm has not so far been settled by the S.E. and C.E. The contractors have therefore petitioned to the Govt. requesting that their claim should be settled expeditiously.

3. The S.E. and ExE. the C.E. have offered their views on each part of the claim made by the contractors and submitted their reports in the pages at 31 to 37 c.f. and at pages 61 to 67 c.f. It is seen from the reports that lastly the firm was consulted by the S.E. on the instructions of

the C.E. whether the firm would drop ~~khaxe~~ their claim if the work of an ~~equalent~~ equivalent value ~~is~~ was entrusted to them as a result of tender or ~~nomiation~~ own nomination in the new scheme for Mangalore Water Supply. To this reference the firm has replied that it cannot accept the above proposal for the reasons ~~expressed~~ in their letter at X on pages 57 to 58 c.f. They have however expressed that they are entirely in favour of a negotiated ~~khe~~ and amicable settlement and that should be ~~done~~ done without further delay.

4 M(H) has ordered on firm's petition to Govt.:- "may be examined and put up early". The firm's petition to Govt. is not an appeal ~~on behalf of~~ to set aside the award passed by the S.E. or the C.E. Nor the firm has been so far ~~appraised~~ apprised either by the S.E. or the C.E. how they propose to meet ~~our~~ the various claims put forth by the contractors. In the circumstances and as the request in the petition to Govt. is only for speedy settlement ~~of~~ their claim, it does not seem necessary for the Govt. to take at this stage ~~km~~ the issue from the S.E. and try to decide it ~~by itself~~ themselves. It is therefore for consideration whether the C.E. may be left to settle the claim himself on the merits and whether he may be asked that he should settle the claim within a specified period, say ~~for~~ three months. If the firm is not satisfied with the decision of the C.E. and comes up to the Govt., then the interference by the Govt. in the matter may be considered.

5 Subject to orders, P.W.D. and Fin. may see for remarks before ~~the~~ circulation.

K 1.6.53 SR 1.6.53

The CE has recommended the payment of a compensation of Rs 9145/- against the sum of Rs 67,428 demanded by the firm. The suggestion in para 4 may be approved.

VR 3/6/53

S/C M(H) 3653.

PWD(G).

The proposal at X above may

Rs 51576

ADDL. DEPUTY SECY 3653 4-JUN-1953 PUBLIC (W...) Dept.

Fin

W.O. 2588Y-N2/53-2 2.6.53.

(1) W/ 3 75 71

be agreed to & the case passed on to Fin. Deptt

PVV
4/6/53.

5-6-53 Fin

QWD2W 51576 C/53-1
5.6.53

Fin (EA)

ADDITIONAL DEPUTY SECRETARY TO GOVERNMENT
5-JUN 1953
FINANCE DEPARTMENT

The notes on pages 1-2 above may be perused. The proposal at X on page 2 above may be agreed to.

1c
16/6/53

L
7.6.53 AD 21/6/53 Health

Health

Fin VO 46054/EA/53-1
22-6-53

33978

DEPUTY SECRETARY
28 JUN 1953
HEALTH DEPARTMENT

p61c

KN 23/6/53

Health Dept (W2)

In 1949, the Government sanctioned the detailed plans and estimates amounting to Rs. 3.15 lakhs for the first stage of the Mangalore water supply scheme with the River Gurpur as the source of supply. A part of this work consisting of a collecting well, man-hole well and 340 ft. of infiltration gallery was entrusted to one of the tenderers, Messrs. Canara Manufacturing Corporation as a preliminary to the entrustment of the whole work if the standard of the execution of the part-work was found satisfactory. The cost of this part of work amounted to Rs. 87,838 at the rates tendered by the Contractors. Subsequently the above scheme was abandoned and a revised Scheme with the Nethravathi River as source was taken up. Consequently, the work entrusted with the Contractors had to be suspended. On that, in February, 1952, the Contractors submitted a compensation Bill to the Sanitary Engineer

p61c

p39c

p.t.o.

for a sum of Rs. 67,428/- for full settlement of the claims. This claim preferred by the firm has not so far been settled by the S.E. and the C.E. The firm have therefore, petitioned to the Govt. requesting that their claim should be settled expeditiously.

pp 1-2 c/f

2. On consulting the C.E. in the matter, he has recommended the payment of a compensation of Rs. 9,145/- against the sum of Rs. 67,428/ demanded by the firm. As the firm's request is not an appeal on an award passed by the S.E. or the C.E. but only a request for speedy settlement of their claim, on reply it is proposed that the C.E. may be left to settle the claim himself on merits and that he may be asked to settle it within a period of three months. If the firm is not satisfied with the decision of the C.E. and comes up to the Govt., then the interference of the Govt. in the matter may be considered. P.W.D. and Finance Department have agreed to this proposal. A draft memo is submitted for approval. May be circulated to M (H) with reference to his minutes at page 1 c.f.

p 67 c/f

p 39 c/f

1 enc/f

K
24.6.53

MR
26/6/53

S.A. Sulaiman
26.6.53

M(H) The matter has been pending for a long time. The C.E may be asked to settle the matter amicably and in as short a time as possible.
26/6

Read with Govt. letter dated 26/6/53

DEPUTY SECRETARY
27 JUN 1953
HEALTH DEPARTMENT

77 5 79

Health (W2)

Please see the minute of M.(H.) at the bottom of page 4 ante. M.(H.) presumably considers that the matter should be settled amicably even within a lesser period than three months. The period may perhaps be reduced to two months.

A revised draft is put below for approval.

27/6/53

VR
27/6/53

SK
27/6/53